Christie, Manson & Woods Limited Pension and Life Assurance Scheme

Implementation Statement

Purpose of this statement

This implementation statement has been produced by the Trustee of the **Christie, Manson & Woods Limited Pension and Life Assurance Scheme** (**"the Trustee"** and **"the Scheme"** respectively) to set out the following information over the year to **30 September 2024:**

- how the Trustee's policies on exercising rights (including voting rights) and engagement activities have been followed over the year; and
- the voting activity undertaken by the Scheme's investment managers on behalf of the Trustee over the year, including information regarding the most significant votes.

This statement does not include the additional voluntary contributions ("AVCs") due to the relatively small proportion of the Scheme's assets that are held as AVCs. It also does not include insurance policies as these have no voting rights attached and limited ability to engage with key stakeholders given the nature of the holdings.

Conclusions

Based on the information received, the Trustee believes that the investment managers have acted in accordance with the Scheme's policies on exercising rights (including voting rights) and engagement activities. The Trustee is supportive of the key voting action taken by the applicable investment managers over the period to encourage positive governance changes in the companies in which the investment managers hold shares.

Prepared by the Trustee of the Christie, Manson & Woods Limited Pension and Life Assurance Scheme
December 2024

Stewardship policy

The Trustee's Statement of Investment Principles in force at 30 September 2024 describes the Trustee's stewardship policy on the exercise of rights (including voting rights) and engagement activities. It was last reviewed in March 2024 and has been made available online here: https://www.christies.com/about/corporate-governance.

There have been no changes to the Trustee's stewardship policy over the year to 30 September 2024. The Trustee has delegated the exercise of rights attaching to investments, including voting rights, and in undertaking engagement activities to the Scheme's investment managers.

The Trustee has decided not to set stewardship priorities for the Scheme because the Scheme solely invests through pooled investment vehicles where the Scheme's assets only represent a small proportion of the capital invested in the funds. The Trustee understands that they are constrained by the policies of the managers and the Trustee takes a proportionate approach when considering the management of the Scheme's risks. Additionally, around 16% (i.e. around £30m as at 30 September 2024) of the Scheme assets were invested in assets with voting rights attached.

However, in line with the policies in the SIP, the Trustee considers climate risk and ESG factors during manager selection. The Trustee also reviews the stewardship and engagement activities of the investment managers annually through their ESG monitoring report.

How voting and engagement/stewardship policies have been followed

Based on the information provided by the Scheme's investment managers, the Trustee believes that its policies on voting and engagement have been met in the following ways:

- The Scheme invests entirely in pooled funds, and as such delegates responsibility for carrying out voting and engagement activities to the Scheme's investment managers.
- As part of ongoing sustainability monitoring of the Scheme's investment managers, the Trustee uses ESG ratings provided by its investment consultant to assess how the Scheme's investment managers take account of ESG issues. Using the sustainability monitoring report, the Trustee undertook their most recent review of the stewardship and engagement activities of the investment managers at the 24 June 2024 meeting. The Trustee was largely satisfied that their policies were reasonable but requested some further information. This included asking Ruffer about the carbon intensity data reported and receiving an update on Newton's change in stewardship process.
- The Trustee obtains training on ESG considerations when required in order to understand fully how ESG factors including climate change could impact the Scheme and its investments.
- Ruffer attended the Trustee meeting in June 2024, and they included a discussion on stewardship and voting as part of their presentation. No further actions were taken following these discussions. The Trustee intends to meet with Newton in early 2025.
- The Trustee, with input from their investment consultant, annually receives and reviews (through their Implementation Statement and ESG monitoring report), the voting information and engagement policies of their investment managers to ensure alignment with their own policies.
- Based on the data presented below and also included in the Scheme's annual ESG monitoring report, the Trustee is comfortable that the actions of the investment managers are in alignment with the Scheme's stewardship policies.

Voting data

This section provides a summary of the voting activity undertaken by the investment managers within the Scheme's Growth Portfolio on behalf of the Trustee over the year to **30 September 2024**.

The **Scheme's Liability Driven Investment ("LDI") holdings** with **Columbia Threadneedle ("CT")** has no voting rights and limited ability to engage with key stakeholders given the nature of the mandate, as these funds invest only in fixed income assets.

The **Newton** and **Ruffer** funds invest across a diverse range of asset classes and are therefore included below as the equity holdings carry voting rights. Please note that the **Man AHL Target Risk Fund** invests in equities through derivatives and has no exposure to physical equities. Therefore, this Fund does not have voting rights attached and for that reason, no voting information has been shown below. The Scheme disinvested from the **Invesco Balanced Risk Pension Fund** in January 2024, with the proceeds transferred to the Man Fund. As the Invesco Fund operates a relatively similar approach to the Man Fund by investing in equities through derivatives, no voting information has been included.

Manager	Newton Investment Management	Ruffer LLP
Fund name	Newton Real Return Fund	Ruffer Absolute Return Fund
Structure	Pooled	Pooled
No. of eligible meetings	72	62
No. of eligible votes	1,057	1,036
% of resolutions voted	99.2%	100.0%
% of resolutions abstained[1]	0.0%	0.1%
% of resolutions voted with management[1]	94.4%	96.5%
% of resolutions voted against management[1]	5.6%	3.4%
Proxy voting advisor employed	Institutional Shareholder Services (ISS)	
% of resolutions voted against proxy voter recommendation	5.3%	4.8%

Newton utilises ISS for the purposes of managing upcoming meetings and instructing voting decisions via its electronic platform, and for providing research. Newton do not maintain a voting policy with ISS but apply their own Newton voting guidelines.

Ruffer have developed their own internal voting guidelines, however they take into account issues raised by ISS, to assist in the assessment of resolutions and the identification of contentious issues. Ruffer are cognisant of proxy advisers' voting recommendations, but do not delegate or outsource stewardship activities when deciding how to vote on clients' shares.

[1] As a percentage of the total number of resolutions voted on. Totals may not add up to 100%. Numbers are subject to rounding.
Note: segregated mandates allow the Trustees to engage with managers and influence their voting behaviour. Pooled fund structures result in limited scope for the Trustees to influence managers' voting behaviour.

Significant votes

The change in Investment and Disclosure Regulations that came into force from October 2020 requires information on significant votes carried out on behalf of the Trustee over the year to be set out. The guidance does not currently define what constitutes a "significant" vote. However, recent guidance states that a significant vote is likely to be one that is linked to one or more of a scheme's stewardship priorities/ themes. At this time, the Trustee has not set stewardship priorities/ themes for the Scheme. The Trustee has therefore initially asked the investment managers to determine what they believe to be a "significant vote". The Trustee has not communicated voting preferences to their investment managers over the period, as the Trustee is yet to develop a specific voting policy. In future, the Trustee will consider the most significant votes in conjunction with any agreed stewardship priorities/ themes.

Newton and **Ruffer** have each provided a selection of votes, which they believe to be significant. In the absence of agreed stewardship priorities/ themes, the Trustee has selected 5 votes from each manager, that cover a range of themes to represent what it considers the most significant votes cast on behalf of the Scheme. To represent the most significant votes, the votes of the largest holdings relating to each topic are shown below.

A summary of the significant votes provided to 30 September 2024 is set out below.

Newton Investment Management, Real Return Fund

	Vote 1	Vote 2	Vote 3	Vote 4	Vote 5
Company name	**AstraZeneca PLC**	**Shell Plc**	**Amazon.com, Inc.**	**The Goldman Sachs Group, Inc.**	
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	1.0%	1.8%	1.4%	0.9%	0.9%
Summary of the resolution	Approve Remuneration Report	Advise Shell to Align its Medium-Term Emissions Reduction Targets with the Goal of the Paris Climate Agreement.	Commission a Third-Party Audit on Working Conditions	Report on Lobbying Payments and Policy	Report on Clean Energy Supply Financing Ratio
How the manager voted	For	Against	For	For	For
Rationale for the voting decision	Newton decided to support the CEO pay package based on the	Newton did not support a shareholder proposal for a	Newton voted for the shareholder proposal	Newton supported a shareholder proposal asking for	Newton supported a shareholder proposal asking for

	CEO's proven track record of creating significant value for shareholders and turning around a company once considered beyond recovery. At this juncture, where execution is critical, Newton wanted to avoid any potential disruptions that a change in leadership might bring. Newton's decision to support CEO pay aligns with their broader investment case for AstraZeneca, as they believe under current leadership, the company is well-positioned to continue executing on its strategic initiatives and delivering value to shareholders.	report on greenhouse gas ("GHG")emission-reduction targets to align with the Paris Agreement as they believed the company has disclosed enough information for shareholders to assess the related risks. Moreover, the company has disclosed a partial Scope 3 target which is considered an appropriate response.	requesting a third-party audit on working conditions as they do consider it to add value for shareholders at this stage.	a report on lobbying payments and policy as they felt additional information on the bank's direct and indirect lobbying activities will help shareholders better assess risks and opportunities.	a report on clean energy supply financing ratio as they believe the ratio will help shareholders assess how the bank is capitalising on clean energy opportunities and aligning itself with the net zero by 2050 pathway.
Criteria on which the vote is considered "significant"	Newton deemed this vote as significant due to its strategic importance, impact on shareholder value, risk of leadership disruption, industry benchmarking, and strong shareholder support. It aligns with their investment case, emphasising the need to retain and compensate effective leadership.	As a significant GHG emitter, it is critical for Shell to have a credible transition plan.	The issue of working conditions is a material risk to understand and reign in for the company. It is also an engagement topic.	Newton determined this vote as significant owing to the rarity of a shareholder proposal receiving significant support.	Newton determined this vote as significant owing to the rarity of a shareholder proposal receiving significant support.
Outcome of the vote	95% For	81% Against	31% For	39% For	29% For
Implications of the outcome	The level of support behind this vote signifies shareholder	While Newton do find some merits to the shareholder's asks	Newton consider the issue of working conditions material to	This is the second consecutive AGM Newton have supported	In Newton's view, the remit of this proposal aligns with shareholder's interests. The ask

	confidence in executive leadership at this juncture. It also brings the company closer to global peers regarding executive pay. Newton will continue to monitor performance to ensure it aligns with their interests as shareholders.	and legitimate concerns, aligning Scope 3 targets at Shell to a 1.5 degree scenario would mean a significant loss of customers to competitors. Such a decision is best in the hands of management, and the disclosure of a partial Scope 3 target shows some responsiveness from the company to Newton's concerns, tackling mainly the emissions it directly has control of. Shareholders have signalled a significant buy-in to management's strategy.	the company, and the conclusion of an audit would help the board understand potential shortcomings and respond adequately to shareholder concerns. Moreover, this will support Newton's engagement efforts with the company.	this proposal. Even after significant support at the 2023 AGM, gaps still persist with respect to the bank's disclosures around its lobbying payments. Greater transparency around the bank's direct and indirect lobbying activities would be helpful for shareholders to assess if there are any risks that could arise due to these activities. Newton will continue to voice their views through their voting.	of the proposal is to disclose a clean energy financing to fossil fuel financing ratio to assess financing the clean energy transition. A clean energy financing ratio by banks would provide investors with a more complete and accurate figure to evaluate a bank's alignment with their net-zero goal. The clean energy ratio should align easily with existing sustainable and green financing goals of a bank. The proposal does not step on management's prerogatives while improving disclosures on financing energy transition, linking it to a metric. Newton will continue to engage with the bank to try and make their climate transition plan more robust.
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	n/a	n/a	n/a	No	No

Ruffer, Absolute Return Fund

	Vote 1	Vote 2	Vote 3	Vote 4	Vote 5
Company name	**Coty Inc**	**Bank of America**	**Amazon**	**Amazon**	**ExxonMobil**
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	0.2%	0.2%	0.6%	0.6%	0.2%
Summary of the resolution	Governance - board independence / effectiveness	Energy transition	Human labour rights	GHG emissions	DEI
How the manager voted	For	Against	For	For	For
Rationale for the voting decision	Ruffer voted in favour of the re-election of one of the Board directors, Mariasun Aramburuzabala. ISS noted that the Aramburuzabala's attendance at board meetings was below the threshold it deems appropriate, therefore recommended a vote against. On the basis Coty has acknowledged her absence, stated it expects her attendance to increase in future and, her attendance fell just below the threshold (75%), Ruffer have elected to support management on this resolution.	Ruffer voted against ISS recommendation and in line with management for the request of a report on clean energy supply financing ratio. This was because they believe Bank of America is committed to its Net Zero targets and provides much of the necessary data to support this. While Ruffer support enhanced disclosures more broadly, the proponent's required ratio is already available via a third-party (Bloomberg). Hence, in support of greater uniformity within the responsible investing space, Ruffer feel a vote against this proposal was the best	Ruffer voted in favour of a shareholders resolution requesting the Board of Directors to commission an independent third-party report, assessing Amazon's customer due diligence process to determine whether customers' use of its products and services with surveillance, computer vision, or cloud storage capabilities contributes to human rights violations. Ruffer's support for the resolution is based on the belief that such a report may highlight some concerning issues that may protect	Ruffer voted in favour of a shareholder proposal requesting disclosure of all material scope 3 GHG emissions. Amazon currently only discloses scope 3 emissions for its own brand products while peers, such as Walmart and Target, disclose scope 3 emissions for all product sales. Ruffer support the request for better disclosure around scope 3 emissions and believe this is the first step towards setting meaningful targets to reduce carbon emissions.	Ruffer voted in favour of a shareholder resolution requesting a report on median gender/racial pay gaps. Ruffer believe publishing the unadjusted pay gap statistic could increase accountability for diversity, inclusion and equality, which may provide shareholders with useful information about how effectively management is assessing and mitigating risks related to its employees. Median and adjusted gender/ethnicity/disability pay gap reporting is best practice and is a regulatory requirement

		option rather than company itself calculating this ratio with a possibly varying methodology.	Amazon from future reputational damage.		in the UK. Therefore, Ruffer voted in favour of this proposal.
Criteria on which the vote is considered "significant"	Ruffer defines significant vote as: any vote against management or against an ISS recommendation, any vote in breach of criteria included in Ruffer's internal voting guidelines, any shareholder resolution, any climate related resolution, any management-proposed climate-related resolution or dissident shareholder slate (US only).				
Outcome of the vote	70% For	Failed	Failed	Failed	Failed
Implications of the outcome	Ruffer may reassess their position at the next AGM if her attendance does not increase.	Ruffer will continue to monitor the company.	Ruffer will continue to monitor the company and may seek to engage if no progress is seen.	Ruffer will continue to monitor the company and may seek to engage if no progress is seen.	Ruffer will continue to monitor the company and may seek to engage if no progress is seen.
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	Ruffer voted with management and met with the company prior to the vote to discuss how they intended to vote.	No	No	No	No

Engagement

The investment managers may engage with investee companies on behalf of the Trustee. The table below provides a summary of the engagement activities undertaken by each manager during the year to 30 September 2024 for the relevant funds.

Engagement activities are limited for the Man AHL Target Risk Fund, due to the nature of the underlying holdings, so engagement information for this Fund has not been shown.

	Newton Investment Management	Ruffer LLP	CT Investments
Fund name	Newton Real Return Fund	Ruffer Absolute Return Fund	LDI funds
Number of engagements undertaken on behalf of the holdings in this fund in the year	13	23	19
Number of entities engaged on behalf of the holdings in this fund in the year	9	17	10
Number of engagements undertaken at a firm level in the year	35	47	1,240

Examples of engagement activity undertaken over the year to 30 September 2024

Newton Investment Management, Real Return Fund

Greencoat UK Wind

Over the year, Greencoat UK Wind's (UKW) shares have been trading at a discount to its net asset value for some time and Newton believes the discount does not reflect the true value of the assets. Share buybacks are an efficient way to address this issue and reduce this discount.

Newton met with the new board chair of UKW to urge them to explore the possibility of conducting a share buyback and highlighted to them that the trust has reasonable cash flows and given fund flows are difficult in the industry, this would be an efficient way to return capital back to shareholders.

Newton also highlighted to them they should be careful and go through with any potential acquisitions only if it more accretive than share buybacks and noted that some assets bought in the past have had low returns. Newton's message was acknowledged by the chair, and they highlighted that shareholder returns are paramount for the board and the manager as well.

Following the meeting, UKW announced a £100 million share buyback program that would be carried out over the coming 12 months. Newton are pleased with this outcome and believe this would reaffirm UKW's operational strength.

Ruffer LLP, Absolute Return Fund

Ryanair

Ruffer has engaged with Ryanair to discuss the following points:

- The company's efforts on the use of sustainable aviation fuel ("SAF").
- To ask for an update on emissions reduction targets being validated by the Science Based Targets initiative ("SBTi").
- The company's partnership with Trinity College Dublin to leverage research and development on carbon savings in feedstock and SAF certification.
- To encourage clearer disclosure of the SAF percentage uplift figure and lifecycle carbon intensity so that the market can observe progress more clearly.

On SBTi, the company said it had formally submitted its targets, but the validation process was slow-moving. Ryanair had been engaging with SBTi when guidance for the aviation sector was being prepared. The company gave a detailed update on its partnership with Trinity College Dublin, and how research was focused on getting a better understanding of CO2 savings in feedstock. On better disclosures around SAF uplift figures, Ruffer explained that, whilst they can infer the numbers from other disclosures, it would help investors if the company published data itself. Ryanair said it would likely be required to include SAF uplift figures in its Sustainability Report given the incoming Corporate Sustainability Reporting Directive (CSRD) regulations.

Ruffer remain impressed by the company's approach to SAF and emission reductions more broadly and think it is well placed to reinforce its competitive advantage through the transition. They will monitor the company's disclosures as well as the SBTi database for an update on the validation of Ryanair's emissions reduction targets. Ruffer will also wait to see whether the next Sustainability Report considers their requests for better data disclosures.

Columbia Threadneedle Investments, LDI Private Sub-Fund

HSBC Holdings PLC

Columbia Threadneedle identifies specific objectives for their engagement with investee companies. They record specific outcomes where objectives are achieved as "milestones" and report these to clients. Each milestone is rated on a three-star scale related to the extent to which Columbia Threadneedle assesses it to protect and enhance investor value.

An LDI counterparty, HSBC became the first UK bank to publish a climate transition plan, aligned with the UK Government Treasury's Transition Plan Taskforce guidelines for banks. This was a comprehensive report, providing more detail on their decarbonisation strategy and climate risks management. Through this, they were one of the first banks to set facilitated emissions reduction targets for the oil and gas sector and the utilities sector, including these within their broader financed emissions targets for these sectors. Columbia Threadneedle have engaged with the company several times on their climate risk management and strategy.